



County of Los Angeles  
**CHIEF EXECUTIVE OFFICE**

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WILLIAM T FUJIOKA  
Chief Executive Officer

September 13, 2012

Board of Supervisors  
GLORIA MOLINA  
First District

MARK RIDLEY-THOMAS  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

To: Supervisor Zev Yaroslavsky, Chairman  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: William T Fujioka  
Chief Executive Officer

**MOTION DIRECTING THE CHIEF EXECUTIVE OFFICE TO EXAMINE AB 1718 (BLUMENFIELD) AND REPORT BACK TO THE BOARD (RELATED TO PUBLIC COMMENT, MEETING OF SEPTEMBER 4, 2012)**

This memorandum responds to a motion by the Board during the public comment portion of the September 4, 2012 meeting which directed the Chief Executive Office to report back on the County's position on **AB 1718 (Blumenfield)**, legislation amending the Revenue and Taxation Code.

**AB 1718 of 2012**

At the September 4, 2012 meeting, the Board approved a motion by Supervisor Ridley-Thomas to adopt a resolution to fix the FY 2012-13 tax rates for County, Special District, and School District Debt Service Funds to enable the Auditor-Controller and the Treasurer and Tax Collector to compute and collect FY 2012-13 taxes. During public comment, a member of the public requested the County to consider a property tax postponement program similar to that of AB 1718 (Blumenfield). Supervisor Knabe requested this office report back on the County's position on this measure.

The most current version of AB 1718 was introduced by Assembly Member Hill on February 16, 2012, and it relates to real estate broker licenses and not to property tax postponement programs. This bill was signed into law by Governor Brown on August 27, 2012, and the County did not take a position on this bill as it does not impact the County.

**AB 1718 of 2010**

In 2010, Assembly Member Blumenfield authored **County-supported AB 1718**, which would have reinstated the previous Senior Citizen's Property Tax Postponement Program,

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as a county opt-in program, after the original program administered by the State Controller's Office was indefinitely suspended when the FY 2009-10 State Budget was enacted.

The Senior Citizen's Property Tax Postponement Program, which was enacted in 1977, offered income-eligible seniors and the disabled the opportunity to postpone their property tax payments in exchange for full repayment-plus-interest upon sale of their home. Under the previous program, the State paid the property taxes owed to counties on behalf of the eligible homeowner as a low-interest State loan. The State loan was repaid, with interest, when the homeowner's property was transferred or sold.

AB 1718 of 2010 by Assembly Member Blumenfield would have reinstated these services as a county administered program, but the bill was vetoed by Governor Schwarzenegger on September 29, 2010. The County supported this measure.

#### **Existing County Deferred Property Tax Program for Senior and Disabled Citizens**

Current law establishes the "County Deferred Property Tax Program for Senior and Disabled Citizens" to provide counties the option to implement the program and allow qualified senior and disabled citizens' property owners to defer their property taxes until the property is sold. However, of concern to the County is that the program does not provide counties priority lien status over the deferred property taxes.

This program was originally introduced when Governor Brown signed into law **County-support-if-amended AB 1090** by Assembly Member Blumenfield. AB 1090 was substantively similar to AB 1718 of 2010. This measure established the "County Deferred Property Tax Program for Senior and Disabled Citizens" with a provision that the amount of deferred property taxes, plus any accrued interest, would be secured by a priority lien, allowing counties to be repaid first after the property was transferred or sold. Initially the County supported AB 1090 as originally introduced; however, the bill was amended to delete the provision that gave counties priority lien status. At the time, the Treasurer and Tax Collector (TTC) indicated that without the priority lien status, the program would not work for the County and recommended the bill be amended to reinstate the provision. TTC worked with the author's office in an effort to make the final program workable for the County. In the end, the program was enacted as a voluntary opt-in program which gives counties the option to participate. To date, no county has implemented this program.

WTF:RA  
MR:PC:ma

c: Executive Office, Board of Supervisors  
County Counsel  
Treasurer and Tax Collector